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Congress of the United States

Joint Committee on Printing

March 31, 1982

Mr. Danford L. Sawyer, Jr.
Public Printer
United States Government Printing Office

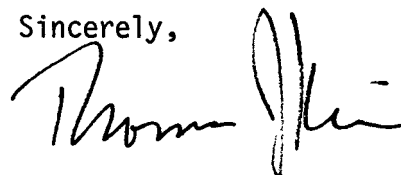
Dear Dan:

Enclosed please find the copy of the Inspector General's Report on Office Renovations and Furnishings, which was recently delivered to the Joint Committee on Printing for its review in accordance with our March 23, 1982 request.

The Chairman and Vice-Chairman have been briefed on the contents of the report and are satisfied that it reflects a complete and candid description of the events surrounding the entire incident.

I appreciate your cooperation in this matter and am personally confident that you have and will take the necessary actions to avoid the recurrence of such unfortunate incidents in the future.

Sincerely,



Thomas J. Kleis
Staff Director

REPORT OF THE PUBLIC PRINTER SUMMARIZING THE GPO
INSPECTOR GENERAL'S REPORT ON RENOVATIONS AND FURNISHINGS

I. Inspector General's Conclusions and Recommendations

On March 4, 1982, the Inspector General of the Government Printing Office issued the results of an audit and investigation into the purchase of furniture and the renovation of certain offices at the Government Printing Office (hereinafter GPO) in his Report on Office Renovations and Furnishings (hereinafter Report). The primary conclusions of the Report are as follows:

- A. Although the Public Printer had clearly mandated that all renovations and furnishings must be "absolutely warranted by need and need alone", in some instances costs were not kept to an absolute minimum, and thus certain renovations and furnishings exceeded the minimum required.
- B. Each employee made his or her own determination of "need" and authorized or requested renovation of or furnishings for his or her own office or suite of offices.
- C. Those involved in the renovations generally failed to adhere adequately to internal GPO control and approval mechanisms and procedures, most particularly the approval requirements of the Capital Investment Board.
- D. No GPO employee was found to have willfully intended to disregard GPO policies, or to have violated by law.

On the basis of these conclusions, the Inspector General recommended that the Public Printer: (1) advise all personnel that exceptions to internal controls will not be tolerated; (2) direct that GPO policies concerning conditions warranting renovations or furnishings be reviewed; and (3) direct the Chairman of the Internal Control Committee to strengthen GPO regulations concerning such activities under GPO's existing Internal Control Vulnerability Assessment Program.

II. The Renovations and Furnishings

A. Background

The renovations which the Inspector General audited and reviewed are only a minor portion of future remodeling and renovation contemplated for the main GPO building. The GPO is currently in the process of seeking approval for a Master Space Plan for the entire main GPO building from the Joint Committee on Printing. That plan contemplates the relocation of

various GPO departments and divisions in refurbished areas of the building. The GPO also is in the process of installing a building-wide fire sprinkler system, a project approved by the Joint Committee on Printing in 1979. The renovations in question took place as a preliminary step in the full renovation and relocation effort and in certain instances in the interests of safety -- since the sprinkler system was needed and ceilings in some of the offices were in a dangerous state of deterioration.

B. Costs

The total cost of the audited renovations and furniture purchases was \$234,339.66, the vast majority of which was completely justified and appropriate. Some expenditures were not appropriate in a time of fiscal austerity, although few if any of them exceeded General Services Administration standards. These somewhat questionable expenditures were a result of certain GPO employees failing to exercise their best judgment. The basic work done was necessary, but problems arose both in the manner by which the renovations were planned and executed and in a failure in certain instances to take advantage of the least costly alternative available.

It should be noted that the figure of \$234,339.66 comprises labor, overhead, material, and furniture costs. The GPO is somewhat unique in that we maintain our own force of carpenters, plumbers, electricians, painters, pipe and sheet metal workers, and masons. It was these craftsmen who performed all of the work on this renovation, and their direct labor costs and an additional overhead charge of close to 90% of the direct labor costs equalled in excess of 58% of the total expenditure. These labor and overhead charges, since the craftsmen would have worked on some other project were this one not available, would have been incurred by the GPO regardless of the renovation project. Furthermore, the cost of all materials charged to the project included a 25% add-on for materials management overhead. Thus the incremental costs to the GPO of this renovation project -- the costs which would not have occurred but for this project -- are significantly lower than the total cost. Of the total incremental cost, only a small portion, which cannot be quantified accurately, was of truly questionable nature.

C. Particulars of the Renovations and Acquisition of Furniture

The types of renovations and remodeling which took place in different offices included the installation of a sprinkler system and suspended acoustical tile ceilings; the complete demolition of existing offices and construction of a suite of executive and staff offices; the installation of new carpets, drapes, and wall coverings; removal and replacement of certain large unwanted semi-installed bookcases; the purchase of office furniture to furnish newly constructed offices and to replace existing furniture in remodeled offices; the bricking closed of a doorway; the installation of chair rails, door frames, chair-rail-height

wall paneling, a framed window, and crown molding; the customary refinishing of certain furniture; and some painting and electrical work. Much of this work, in and of itself, was not improper or in any sense extravagant; some of it, however, was.

Significant failures in judgment occurred in the following instances:

1. On four occasions GPO trucks were sent to a carpet manufacturer in Pennsylvania to expedite the transportation of carpet to Washington. Of the four trips, one may have been justified due to exigent circumstances, the others clearly were not.
2. Much of the renovation work was performed without submission of, requests for, or approval of, maintenance job orders and project justifications called for by GPO Instructions. The existing internal control mechanisms were not properly utilized and were not effective.
3. A policy was conceived and enunciated whereby no two offices would utilize the same color schemes, thereby obviating the use of certain cost-effective renovation measures.
4. The determination of the height of a ceiling and the removal of certain semi-installed bookcases dictated, in the first instance, that new wall coverings be installed, and in the second instance, that both new wall coverings and a new carpet be installed, when a less costly alternative course of action existed.
5. Chair-rail-high walnut paneling and some walnut trim work, as well as hand-crafted crown molding, was ordered and installed, although these measures quite plainly exceeded the requirement of absolute need.
6. Certain materials -- primarily walnut -- were purchased prior to determining the actual requirements for the precise type and amount of those materials.
7. In one instance, acoustical ceiling tile was procured from a supplier in Florida because that supplier could deliver the entire quantity required within a severely shortened work schedule, whereas standard procurement procedures could have obtained the tile from local suppliers and met a realistic work schedule. In another instance, ceiling tile of extra thickness was procured in order to diminish noise from the office below, while a less costly alternative was not adequately explored.

8. There was also a failure to adequately assess the suitability of existing office space prior to the demolition and renovation of that space for new offices.
9. Furniture was ordered (although subsequently cancelled) which exceeded GSA standards for the grade level of the ordering official, and furniture in certain offices was replaced although the existing furniture was probably still serviceable.
10. Carpets were replaced which were still serviceable, although wear patterns were sometimes evident, and carpets were installed by mistake in the wrong offices necessitating duplicative purchases.
11. A newly installed carpet in a secretarial area was found to soil rapidly. The secretary at the suggestion of her supervisor, secured a new replacement carpet, which, however, was never installed, and can be utilized elsewhere.
12. The sprinkler system in the offices in question was installed by GPO personnel, although a contract had already been awarded to a private firm for the installation of the entire system, including the portion installed in these offices. It was thought that it would be more cost-effective to proceed with the installation during renovation of the offices in question, but the GPO must now renegotiate its contract with the private firm.
13. Some GPO employees failed to adequately review applicable guidelines and internal control mechanisms, failed to adequately apprise affected employees of the guidelines, and failed to question requests in excess of the guidelines or in contravention of internal control mechanisms.

These cited instances include all of the significant questionable activity which the Inspector General detailed in his Report. As indicated previously, much of the renovation activity was justified and that renovation work is not recounted above. The Inspector General concluded -- after reviewing all of the conduct -- both questionable and proper -- that no GPO employee willfully disobeyed GPO regulations, and there were no violations of law.

III. Actions Taken to Prevent Future Reoccurrences of Questionable Activity

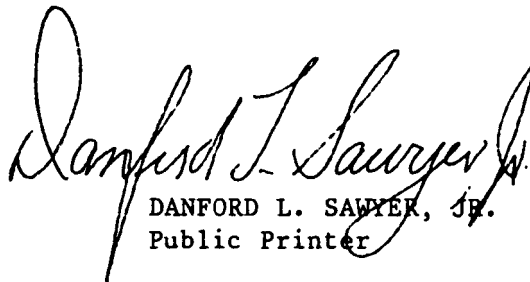
When I first became aware of the existence of a potential failure to adhere to GPO policies and my explicit guidelines regarding renovation, I directed the Inspector General to commence an audit and investigation of

the activity, and it is his Report which I have just summarized. Those renovations which were not completed prior to my becoming cognizant of the situation were closely examined and partially altered to ensure their cost-effectiveness, and I required that all office renovation still under construction be rejustified solely on the basis of need. GPO Instruction 810.10B was also revised in order to strengthen and clarify the role and duties of the GPO's Capital Investment Board.

In response to the Inspector General's Report, I have directed that all of his recommendations be instituted. I have made it clear through a series of meetings with the responsible employees that exceptions from internal controls and procedures will not be tolerated. I have also directed that all relevant GPO policies and Instructions be reviewed -- Instruction 810.10B already having been revised -- with a view to clarifying the types of renovations which are proper and strengthening internal controls regarding such renovations. In addition, I have directed that the Chairman of the Internal Control Committee devote special attention to examining renovation activities as part of the GPO's existing Internal Control Vulnerability Assessment Program.

Equally importantly, I have made sure that the GPO employees involved are fully aware of the mistakes in judgment that were made, and when I feel it to be required, verbal reprimands and written letters of reprimand will be issued.

I believe that these actions are adequate to improve the GPO's system of internal controls, ensure that these mistakes are not repeated, and to discipline the GPO employees involved. These measures should ensure that future renovation activities at the GPO are cost-effective and justified on the basis of need and need alone.



DANFORD L. SAWYER, JR.
Public Printer

Sarasota Herald-Tribune

Fri., April 9, 1982—9-A

DANFORD SAWYER OF SARASOTA

Printing Chief Puts Pals On Payroll

By JACK ANDERSON

WASHINGTON — The public printer has discovered an interesting way to feather his bureaucratic nest without breaking his budget. He would like to reduce public services and remodel his lair at the same time.

Danford L. Sawyer Jr., the man in charge of the Government Printing Office, wants to close 23 of the 27 regional bookstores around the country. This would not only deprive the people in these areas of government publications but would throw dozens of federal employees out of work.

Sawyer would thus be able to build an empire and a palace fit for the king and his men while keeping his books relatively balanced.

Here are the details:

Sawyer has been making room at the public trough for a passel of high-paid assistants to help him run his realm from the newly refurbished top floor of the GPO headquarters.

In other words, he is hiring chiefs and firing Indians.

Sawyer has been blatantly political in the executives he has put on the payroll despite a supposed hiring freeze. More than half of the 10 "Schedule C" appointees sharing the

eighth floor with Sawyer are from his home state of Florida.

They include Renee Bafalis, daughter of Rep. Louis Bafalis, R-Fla., and Mark Cramer, son of ex-Rep. William C. Cramer, R-Fla.

The salaries alone of Sawyer's satraps will cost the taxpayers \$300,000 a year. What makes his hiring spree particularly reprehensible is that there were no Schedule C (non-civil service) positions at the GPO before Sawyer took over. His explanation for putting political pals on the payroll was, "It's ludicrous to expect me or anyone to come in from outside and take control all by my little lonesome."

While firing the peasants and hiring his cronies, Sawyer has also increased the number of his highest-paid bureaucrats. He doubled the number of GS-18s — the top professional rank with salaries over \$50,000 — added a fourth assistant public printer, and created three deputy public printers where one had been before.

Obviously, this top-heavy bureaucracy needed someplace suitable to swivel its executive chairs. So the eighth floor was given a \$234,339.66 refurbishing. More than \$76,000 was spent to spruce up the Office of Legislation; another \$48,000 was

lavished on the office of the Deputy Public Printer.

My reporter Debra Becker dug up some examples of the profligacy with which Sawyer's decorators threw public money around. Ceiling tiles, for example, needed replacing, but not just any tiles would do. Sawyer's tiles were shipped from Florida at an expense of \$800.

Then there was the carpeting. Government trucks were dispatched to pick up carpet in Lancaster, Pa., not once, but four separate times between Oct. 29 and Jan. 6. In some offices, the carpeting was replaced, even though the old floor covering was still usable. Carpeting was sometimes installed in the wrong offices, and duplicate purchases had to be made. The total cost of the carpeting was close to \$10,000.

Walnut paneling, trim work and handcrafted molding was ordered and paid for even before it was determined how much would actually be needed.

Possibly discovering that we were looking into his executive-suite renovation, Sawyer issued a pious press release on Jan. 29, stating that while he had been home in Sarasota over the Christmas holiday, "certain remodeling and refurbishing

had taken place in these offices, which may not be justified by need, and need alone." He ordered his inspector general to look into the matter.

The implication that Sawyer's office had been gussied up without his knowledge is laughable, of course, but the IG investigation gave Sawyer an excuse for not answering queries from the press.

Sawyer has refused to make the IG report public. But he wrote a "summary" of it himself and sent it over the Joint Committee on Printing, which has been investigating the matter.

Sawyer evidently feels that GPO is his private affair. During a hearing he complained to Rep. Vic Fazio, D-Calif., that press inquiries have been "like the sword of Damocles" hanging over his head.

Fazio replied: "Well, Mr. Sawyer, I would say that the system has risen up and smitten you."

Footnote: A major reason for wanting to close the government bookstores, Sawyer has said, is that they showed an overall loss of \$111,000 in fiscal year 1981 — about half of what his renovations cost. In fiscal 1980, the bookstores showed a \$600,000 profit.

ington Post

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JACK ANDERSON

Public Printer Is Criticized on Spending, Cuts

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